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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1956

No. 444

TATKO BROTHERS SLATE CO., INC.,
Petitioner,

*v.*

VERMONT STRUCTURAL SLATE CO., INC.,
Respondent.

## SUPPLEMENT TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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This Supplement is filed because on September 24, 1956, the same day that the original Petition was filed herein, a decision was rendered in a companion case directly in conflict with the decision sought to be reviewed.

### The New Opinions Below

The opinions, judgments and orders rendered September 24, 1956 by the United States District Court for the District of Vermont in the companion case entitled "*Tatko Brothers Slate Co., Inc.* v. *Matthew Hannon,* Civil Action No. 1836" are printed in the Supplemental Appendix hereto (SA 1a-4a) and are not yet reported. A certified copy of these opinions, judgments, and orders has been filed herewith.

## Supplemental Statement of the Case

For convenience, the District Court proceedings directly below will be referred to as "the *Albany* case" and the District Court proceedings in the newly decided companion suit, as "the *Vermont* case".

The counterclaim in the *Albany* case pleaded in part:

> "27. The invention of said patent provides a practical pallet for use in handling slate products safely and the pallet construction devised by said John Tatko has been in extensive commercial use by defendant and has fulfilled a long felt want in the trade of defendant and its customers, which enables the pallet to be efficient and economically loaded with slate products at the quarry and lifted by a fork truck onto a trailer truck or railway car for economic transport to the desired point of destination. This is made possible by reason of the provision of pockets or slots at the ends of the pallet, constructed to receive end gates or walls, or flat slabs of slate in upstanding relation therein to form end supports for the pallet to confine and wedge there between slabs of slate that are arranged in upstanding side-by-side relation on the pallet as a rigid unit thereon and to prevent the said unit from falling apart and individual slabs becoming lost in transportation." (R. 17a-18a)

Among the numerous uncontradicted affidavits submitted in the *Albany* case, one by the inventor Tatko asserted *inter alia* (R. 51a-52a):

> "4. That the conventional pallets described in paragraph '3' above, although in general use before his invention of the patented pallet, had many disadvantages and hazards connected with their use, particularly by reason of the necessity to arrange the slabs of slate or stone horizontally thereon in vertically extending piles so that, during the lifting or trans-

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portation of a loaded pallet the slabs of slate or stone were free to shift horizontally and fall from the pallet with great possible injury to workmen handling the loaded pallets or to property or persons along public roads;".

Another such affidavit, by one Wolcott, an up-state New York slate distributor, stated *inter alia* (R. 58a):

"7. That because of the provision of the slots or pockets at the ends of the Tatko patented pallet, some of the slabs or pieces of slate or stone being transported may be inserted in the pockets in upstanding relation and used as end supports or walls to support and wedge the other slabs or pieces of stone in upstanding relation on the pallet, eliminating edgewise displacement which would cause the slabs to fall apart and become lost in transportation. The Tatko patent provides a practical pallet for use in handling slate safely and fulfills a long-felt want in the trade which enables the pallet to be safely filled with slate at the quarry and safely lifted by a fork truck into a trailer truck and safely transported to the desired destination;".

The *Vermont* case was an action for patent infringement brought directly by petitioner against one of its competitors located in Vermont, a Mr. Matthew Hannon. Hannon was represented before Judge Gibson by the same counsel that appeared for respondent in the *Albany* case. After the decision in the *Albany* case, a motion for summary judgment of dismissal of the *Vermont* case on the grounds of lack of invention was made on Hannon's behalf. It was this motion which Judge Gibson *denied* the same day that the present petition was filed. In opposition to the motion in the *Vermont* case, nine affidavits were filed on Tatko Company's behalf. Only one of the affiants, Wolcott, had had an affidavit before the court in the *Albany* case. The affidavits in the *Vermont* case went beyond the affidavits in the *Albany* case in elaborating

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prior attempts of the slate industry to "palletize" its products and included as affiants persons long engaged in the pallet and fork lift truck business who attested to such prior unsuccessful efforts. Undoubtedly the Vermont affidavits presented overwhelmingly better *proof* of the existence of long felt want and prior unsuccessful efforts to achieve it than did the affidavits in the *Albany* case. However, in view of the pleadings in the *Albany* case and the passages quoted, it cannot be said that the *issue* of whether such a historical situation had existed was not squarely presented to Judge Foley in Albany and to the Court of Appeals below.

It is noteworthy that Judge Gibson left his courtroom to have a "view" of the patented pallets in actual operation (SA 2a).

## Reason for Granting the Writ Reiterated

*There is doubt and confusion at both Bench and Bar as to the standard of "invention" applicable in patent cases today. This is an important matter of national consequence upon which this Court should now unequivocally rule.*

The heart of Judge Gibson's opinion appears in its final sentence (SA 3a):

> "Accepting the affidavits as true, it follows that a genuine issue of a material fact is present in this case. If the industry, over a period of years, tried to solve this problem and met with failure, then the introduction of the Tatko pallet presents a real live issue—namely, 'Is the utilization of flagstone to confine the stacked flagstone on the upper tier of the pallet by the use of end pockets an innovation that was "obvious to a person having ordinary skill in the art."' "

It is impossible to reconcile this view with the following paragraph quoted from the opinion of the Court of Appeals below (A 2a):

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"In many a patent suit, there arise issues of fact as to which the testimony of expert witnesses may be important. Then the credibility of those witnesses is crucial, and it would be erroneous, by a summary judgment, to deprive either party of a 'live trial' at which the trial court could observe the witnesses' demeanor in evaluating their testimony. There was no such issue here. The prior art and the patent claims are, without expert aid, easily understandable by anyone of the most modest intelligence. Nor did it require expert testimony to make it plain that the differences between the prior art and the patent claims were obvious to persons having ordinary skill in the trade at the time the alleged invention was made."

While it is certainly true that the affidavits presented to Judge Gibson were more convincing and better calculated to persuade the court of the *fact* of the non-obviousness of the Tatko invention than the affidavits presented in the *Albany* case, both Judge Foley in that *Albany* case and Judge Frank in his opinion affirming Judge Foley take the position that such is the nature of the claimed Tatko innovation that, as a matter of *law, no* evidence could show that it involved "invention". Accordingly there is here presented a square conflict between decisions of federal courts below as to what is the nature of the question of invention in a patent case, and as to what evidence, if any, is required to resolve it.

## CONCLUSION

**The foregoing showing, supplementing the suffiicent reasons of the original Petition, affords a necessary reason that this petition for a writ of certiorari should be granted.**

Respectfully submitted,

W. Brown Morton, Jr.,
Attorney for Petitioner.

September 22, 1956.

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# APPENDIX

**Opinions, Judgments, and Orders**

*of the*

UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF VERMONT

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CIVIL ACTION No. 1836

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TATKO BROTHERS SLATE CO., INC.,

v.

MATTHEW HANNON

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## Statement of the Case, Conclusions of Law and Judgment Order

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### Statement of the Case

The plaintiff instituted this action for infringement of its patent, Patent No. 2,693,926. The subject matter of this patent is a double platformed wooden pallet used for stacking and transporting flat stone pieces in a stacked vertical relationship on a platform for use with a fork-lift truck. Stones are stacked in pockets at the ends of the pallet to confirne [*sic*] the slate stacked vertically on the upper tier of the pallet between the upstanding slabs in the pockets.

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*Appendix*

The defendant filed a motion for summary judgment under Rule 56, F. R. C. P., in which it contends that there is no genuine issue as to any material fact as required by Rule 56(c). In support of its motion, the defendant relies upon the *Vermont Structural Slate Co., Inc.* v. *Tatko Brothers Slate Co., Inc.* decision, reported in 134 F. Supp. 4 and affirmed by the 2 C. C. A. in 233 F. 2d 9. In that case, Vermont Structural Slate Co., Inc. brought a petition for a declaratory judgment in the U. S. District Court for the Northern District of New York, in which it sought to have declared invalid Patent No. 2,693,926, the patent here in suit. The District Court granted a summary judgment on the grounds that the patent expresses no patentable invention over prior art. The affidavits filed in that case did not touch upon the fact that the industry had tried to solve the handling and transporting of slate problem without success for many years. See affidavit of Maxwell Sparrow, of counsel for Tatko Brothers in the former case. The decision of the District Court was affirmed by the 2 C. C. A. on the ground that invention was plainly lacking and disclosed no more ingenuity than that of a man shilled [*sic*] in the art. See 233 F. 2d at 11.

The plaintiff, in answer to the defendant's motion for summary judgment, filed affidavits of nine persons in support of its contention that there is a genuine issue of a material fact in this case.

The above-entitled cause came on for hearing at Brattleboro on July 16, 1956. Arguments were made, briefs filed, and exhibits were received by this Court at the hearing. Upon plaintiff's motion made at the hearing, this Court, along with counsel for plaintiff and defendant, observed the transporting of slate stacked vertically upon the Tatko pallet with the use of a fork-lift truck at the Woodward Lumber Mill in Brattleboro, Vermont, and ob-

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served and compared the Tatko pallet with the Cruickshank pallet, No. 2,297,347, and the Lilienfeld pallet, Patent No. 2,471,693.

**Conclusions of Law**

The decision of the *Vermont Structural Slate Co., Inc.* v. *Tatko Brothers Slate Co., Inc., supra,* is not *res adjudicata* of the issues herein because the parties to this action are not the same, nor are they in privity with the parties in the former action. *Triplett et al.* v. *Lowell et al.,* 297 U. S. 638, 642-644; *Gold Seal Importers, Inc.* v. *Westerman-Rosenberg, Inc.,* 133 F. 2d 192.

The issue for this Court's determination is whether a genuine issue of a material fact is presented in the affidavits filed by the plaintiff. Rule 56(c) F. R. C. P. The affidavits in this case disclose the utility, safety, economy, and commercial success of the Tatko pallet. Similar affidavits were filed in the former case. In this case, however, the affidaivts also tend to show that the industry had tried to solve the problem of handling and transporting flagstone over a long period of time, all without success. See affidavit of Richard Slade, page 3.

Accepting the affidavits as true, it follows that a genuine issue of a material fact is present in this case. If the industry, over a period of years, tried to solve this problem and met with failure, then the introduction of the Tatko pallet presents a real live issue—namely, "Is the utilization of flagstone to confine the stacked flagstone on the upper tier of the pallet by the use of end pockets an innovation that was 'obvious to a person having ordinary skill in the act [*sic*].'" *Welsh Manufacturing Company* v. *Sunware Products Co.,* 2 C. C. A., decided July 9, 1956,—— F. 2d——; *Lyon* v. *Bausch & Lomb Optical Co.,* 224 F. 2d 530.

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*Appendix*

**Judgment Order.**

Inasmuch as the affidavits filed herein present a genuine issue as to a material fact, the defendant's motion for summary judgment is hereby denied.

ERNEST W. GIBSON,
Ernest W. Gibson,
U. S. District Judge.

Dated: Brattleboro, Vermont, September 24, 1956.

Endorsed: Filed September 24, 1956,
AUSTIN H. KERIN, Clerk.

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**Order Denying Defendant's Motion for Attorneys' Fees**

In the above-entitled cause the defendant filed a motion for attorneys' fees under Section 285 of Title 35, U. S. C. Both parties have submitted briefs in this matter.

Section 285 of Title 35, U. S. C. provides as follows:

> "The court in exceptional cases may award reasonable attorneys' fees to the prevailing party."

Inasmuch as there is no basis in this case for a finding of bad faith on the part of the plaintiff, nor is there any basis for a finding that the plaintiff is pursuing non-justiciable litigation in this matter, the defendant's motion for attorneys' fees is hereby denied. See *Keuffel & Esser Co.* v. *Masback, Inc.*, 131 F. Supp. 237, citing *Park-In-Theatres, Inc.* v. *Perkins*, 190 F. 2d 137.

ERNEST W. GIBSON,
Ernest W. Gibson,
U. S. District Judge.

Dated: Brattleboro, Vermont, September 24, 1956.

Endorsed: Filed September 24, 1956,
AUSTIN H. KERIN, Clerk.

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